UNITED
NATIONS

EP

United Nations
Environment
Programme

Distr.
GENERAL

UNEP/HLC/2/INF/5
17 October 1997

ENGLISH ONLY

HIGH-LEVEL COMMITTEE OF
MINISTERS AND OFFICIALS
Second meeting
Nairobi, 17-18 November 1997
Item 4 of the provisional agenda*

UNEP REFORM IN THE CONTEXT OF UNITED NATIONS REFORM

Note by the Executive Director

INTRODUCTION

1. There have been a number of significant developments over the last year that have increasingly brought attention to bear on the question of the reform of the United Nations Environment Programme (UNEP). These include the nineteenth session of the Governing Council, which, in its Nairobi Declaration, adopted seminal decisions on the role and mandate of UNEP and the establishment of the UNEP High-level Committee of Ministers and Officials, as part of a strengthened governance structure. In addition, in July 1997, the Secretary-General issued his report "Renewing the United Nations: programme for reform" (A/51/950) which provides a perspective for the further reform and restructuring of UNEP. At its special session for the purpose of an overall review and appraisal of the implementation of Agenda 21, held in New York from 23 to 27 June 1997, the General Assembly provided further elements upon which UNEP reform can be predicated.

2. At the first meeting of the UNEP High-level Committee of Ministers and Officials, member Governments expressed a strong view that the question of UNEP reform should be placed on the agenda of the Governing Council and its subsidiary bodies, to provide for a focused discussion of the issue. Accordingly, the Bureau of the Committee placed the question of reform of UNEP on the agenda of the Committee's second meeting.

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3. The present information note is intended to provide background information on the various issues associated with UNEP reform, so as to facilitate the Committee in its consideration of the issue.

I. REPORT OF THE SECRETARY GENERAL: "RENEWING THE UNITED NATIONS: A PROGRAMME FOR REFORM"

4. The Secretary-General's report, "Renewing the United Nations: a programme for reform" (A/51/950), aims to bring about unity of purpose, coherence of effort, and flexibility and agility in the response of the United Nations to the changing needs and expectations of the world community, while achieving strategic deployment of resources and cost-effectiveness. It provides insight into inter alia, how the reform and strengthening of UNEP should contribute to the further elaboration of the overall reform.

5. In paragraph 6 of his report, the Secretary-General notes that reform is a process and not an event, and that it should narrow the gap between aspiration and accomplishment. With respect to UNEP, this report states, in paragraph 179: it is most timely and necessary to take immediate steps to strengthen UNEP and Habitat, while considering the fundamental changes that may be required to clarify and focus their structures and functions within a reformed United Nations in the economic, social and development fields as well as to revitalize political and financial support for them". On that basis, the Secretary General will, in consultation with Governments, the Executive Director of UNEP and the Executive Director of the United Nations Centre for Human Settlements (UNCHS) (Habitat), develop new measures for strengthening and possibly restructuring the two organizations, taking into account their respective mandates, and will present his recommendations to the General Assembly at its fifty-third session.

6. The Secretary-General's report makes several observations which are germane to UNEP in the context of United Nations reform. Broadly, those observations relate to: UNEP governance; institutional coherence; programme focus; management and organization; and financing. This report is organized under those headings.

II. UNEP GOVERNANCE

7. At its nineteenth session, the Governing Council considered the issue of UNEP governance. By its decision 19/32, it established the High-level Committee of Ministers and Officials as a subsidiary organ, inter alia, to consider the international environmental agenda and to make reform and policy recommendations. The High-level Committee of Ministers and Officials complements the Committee of Permanent Representatives in facilitating the Council's work.

8. The reformed governance structure of UNEP should increase its efficiency, agility and responsiveness in identifying emerging global environmental issues, reviewing their bearing on development patterns, and providing policy guidance on global environmental matters and international environmental cooperation. It will enhance the capacity of UNEP, inter alia: to be the leading global environmental authority that sets the global environmental agenda; to enhance the coherence and harmonization of environmental activities within the United Nations system; and to provide a

forum for oversight in regard to the existing and emerging global and regional environmental conventions and their interrelationships. It will also enable UNEP to be "the environmental voice of the United Nations and the principal source of environmental input into the work of the Commission for Sustainable Development", as envisaged by the Secretary-General, in paragraph 176 of his report.

9. UNEP convenes regional environmental ministerial conferences (e.g., in Africa and Latin America) which keep regional and subregional environmental issues and trends under review and facilitate international cooperation to address them. They promote decentralized inter-country approaches to deal with major environmental challenges, including global ones, and complement the Governing Council's central policy guidance, priority-setting and coordinating role. Further elaboration of the United Nations reform measures should take into account the reformed governance structure of UNEP, including the part played in it by regional intergovernmental environmental bodies.

10. The Secretary-General's report proposes the streamlining and rationalization of the governing structures and bodies reporting to the Economic and Social Council. Its suggestion in paragraph 175 for "closer cooperation and interaction between UNEP and Habitat and between both entities and other departments, funds and programmes in the economic, social and development areas" will make more effective the policy guidance and programme priority-setting service of the Governing Council and the Commission for Human Settlements.

11. In paragraph 85 of his report, the Secretary-General proposes that the Trusteeship Council "be reconstituted as the forum through which Member States exercise their collective trusteeship for the integrity of the global environment and common areas, such as oceans, atmosphere and outer space". He also proposes that it should serve to link the United Nations and civil society in addressing these areas of global concern.

12. As the Secretary-General observes in paragraph 177 of his report, UNEP has helped bring into existence major global and regional environmental conventions, and it provides continuing support for their implementation. To achieve the strategic allocation of resources and programme synergy, Governments may wish to consider how the UNEP governance structure could facilitate the coordination and integration of the work of the growing number of global and regional environmental conventions. This process could take into account common thematic concerns, such as those relating to: capacity-building; reporting; scientific and policy research and its link to programme development; and the equitable sharing of implementation costs. A rationalization of the interrelationships between the conferences of the parties of major environmental conventions, and of their relationship with the UNEP Governing Council, should enhance the impact of UNEP.

III. INSTITUTIONAL COHERENCE

13. The Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme, as adopted by the Governing Council in its decision 19/1 of 7 February 1997, focused the functions of UNEP to enhance institutional coherence and synergy of environmental action in the United Nations system, taking into account the growing consideration of the

environment in the programmes of United Nations and development bodies. The core elements of the focused UNEP mandate provide for strong UNEP linkages with international environmental conventions, the United Nations system, the scientific community, policy makers and civil society.

14. In its paragraph 177, the Secretary-General's report recognizes the role UNEP plays at the country level, as distinguished from its global and regional role. The former involves, inter alia: serving as a bridge between science and policy-making; promoting implementation of international environmental treaties and agenda; and maintaining interactions with national environmental organizations and agencies. The Nairobi Declaration similarly notes that UNEP core functions include, inter alia: provision of policy and advisory services in key areas of institution-building to Governments and other institutions; and promoting greater awareness and facilitating effective cooperation among all sectors of society and actors involved in implementing the international environmental agenda.

15. UNEP is not a development agency and does not maintain field offices at the country level. Furthermore, the capacities of development institutions, including the United Nations Development Programme (UNDP), to finance operational activities with environmental components have increased. In order to fulfil its core mandate, however, UNEP has to engage selectively in country-level activities to: provide policy advice and guidance; strengthen institutions; test and demonstrate promising approaches and guidelines; and promote cooperation among sectors and actors in implementing the international environmental agenda. As an implementing agency of the Global Environment Facility (GEF), UNEP plays a key role in the execution of projects at the country level, in keeping with its mandate and comparative advantage. UNEP will continue to strengthen its role in GEF, as an implementing agency, on the basis of its comparative advantage and expertise, and in accordance with the provisions of Governing Council decision 19/12 and the Nairobi Declaration. UNEP undertakes such activities to implement the programme, as approved by the Governing Council, in response to countries' needs and requests and in collaboration with UNDP, the World Bank and the United Nations system. This is central to UNEP being an effective team member and partner in the United Nations system in the environmental field. It also enables UNEP, as envisaged in paragraph 2 of the Nairobi Declaration, to "promote the coherent implementation of the environmental dimension of sustainable development within the United Nations system".

16. The core functions of UNEP characteristically embody a regional dimension complementary to the United Nations Regional Commissions which have their own sensing, analytical and normative capacities which address various aspects of sustainable development. In further developing United Nations reform proposals, UNEP's regional programmes and capacities have to be taken into account to improve institutional coherence.

17. In paragraph 172 of his report, the Secretary-General notes "that the world of the twenty-first century will be predominantly urban and the transition to global sustainability will largely depend upon the success of ensuring the sustainable development of our cities and towns." Paragraph 175 refers to "the need for a more integrated systemic approach to policies throughout the whole range of United Nations activities in the economic, social and development fields" and notes that "this requires closer

cooperation and interaction between UNEP and Habitat, and between both entities and other departments, funds and programmes in the economic, social and development areas". The Secretary-General is "exploring ways to strengthen and possibly restructure the United Nations Environment Programme and the Centre for Human Settlements, the two United Nations bodies that are most directly involved in environment, sustainable development, and human settlements issues". Governments recognize the need to broaden and strengthen the institutional alliance between UNEP and UNCHS (Habitat), and to reinforce their partnership with development institutions, including UNDP.

18. The Nairobi Declaration calls on UNEP to strengthen its role in the coordination of activities in the United Nations system in the field of the environment. System-wide oversight is necessary to enhance institutional coherence all around.

IV. PROGRAMME FOCUS

19. In line with General Assembly resolution 2997 (XXVII) and Agenda 21, UNEP programme activities have been wide-ranging. More recently a large number of international, governmental, non-governmental and private-sector institutions have become active in the environmental field. Elements of the international environmental agenda now form part of the work programmes of the United Nations and development bodies. In the light of these developments and a review and appraisal of UNEP work since the United Nations Conference on Environment and Development, the Governing Council decided, in paragraph 3 of the Nairobi Declaration, that the core elements of the focused mandate of UNEP would be the following:

"(a) To analyse the state of the global environment and assess global and regional environmental trends, provide policy advice, early warning information on environmental threats, and to catalyse and promote international cooperation and action, based on the best scientific and technical capabilities available;

"(b) To further the development of its international environmental law aiming at sustainable development, including the development of coherent interlinkages among existing international environmental conventions;

"(c) To advance the implementation of agreed international norms and policies, to monitor and foster compliance with environmental principles and international agreements and stimulate cooperative action to respond to emerging environmental challenges;

"(d) To strengthen its role in the coordination of activities in the United Nations system in the field of the environment, as well as its role as an Implementing Agency of the Global Environment Facility based on its comparative advantage and scientific and technical expertise;

"(e) To promote greater awareness and facilitate effective cooperation among all sectors of society and actors involved in the implementation of the international environmental agenda, and to serve as an effective link between the scientific community and policy makers at the national and international levels;

"(f) To provide policy and advisory services in key areas of institution-building to Governments and other relevant institutions."

20. These core elements will drive UNEP programme development in all areas. The programme will also serve as the principal source of environmental input to the Commission on Sustainable Development. Activities financed by the Environment Fund will typically focus on those areas where they help fill a gap and add value. Further UNEP reform efforts must be grounded in the implementation of the Nairobi Declaration.

21. Correspondingly, United Nations reform measures in the economic and social development area should facilitate operational follow-up of UNEP's norm-setting, policy guidance, assessment, modification, tools development and other work.

22. As a parent body of several environmental conventions, UNEP develops interlinkages and fosters dialogue and information exchange among them. Apart from administrative service, effective programmatic support, is vital in promoting such linkages. Various programme areas (e.g., climate change, biodiversity, chemicals, industry, the ozone layer, land and desertification, water) provide substantive support to environmental conventions. UNEP will streamline such programme support in the light of the convention secretariats' work and that of relevant bodies, such as the GEF secretariat. UNEP programme delivery will also draw upon available guidance on programme priorities from standing scientific and technical bodies servicing the conventions.

23. In paragraph 88 of his report, the Secretary-General notes: "no organization has principal responsibility for dealing comprehensively with the energy sector for example, or with technology, or in respect of the major transition taking place in many countries from state to private enterprises", and observes: "the question of UNIDO's future should be reviewed in this broader context". In this context, proposals to strengthen UNEP as part of the United Nations reform process will need to take into account its work in industry, energy, technology, water and private sector involvement in environmental action, to reinforce existing teamwork and partnerships.

24. The Secretary-General also notes, in paragraph 214 of his report, the growing importance of the private sector and the need to strengthen the ties of the Organization with the business community. UNEP has, for a long time, worked closely with the business community, notably in its industry and environment programme, and its experience in this regard has been rewarding. It is now seeking to broaden and extend private-sector participation in programme development and delivery generally. This will be done as part of a United Nations system-wide approach and in accordance with agreed guidelines.

25. In paragraph 215 of his report, the Secretary-General observes: "the Organization needs to review and update the ways in which it interacts with civil society, as it seeks to serve both the Governments and people of the world". The Nairobi Declaration similarly calls upon UNEP to increase the participation of major groups, including the scientific community, non-governmental organizations and the private sector, in the discharge of its mandate and in implementing the global environmental agenda. UNEP is

engaged in increasing civil society participation in programme development and delivery. Modern information technology and institutional networking will play a vital role in this regard. UNEP work relating to industry, chemicals, the international environmental technology centre, the Global Environment Outlook report series, and in information and public affairs, for example, demonstrates how the involvement of major groups, including the private sector, can make the programme more effective.

V. MANAGEMENT AND ORGANIZATION

26. In paragraph 217 of his report, the Secretary-General notes that work is proceeding on "an integrated accountability system that delegates more day-to-day authority while establishing clear lines of responsibility, clarifying objectives and performance standards, and establishing appropriate oversight, rewards and sanctions". In line with these considerations, UNEP has reviewed and reformed its managerial and organizational structure and practices. It has sought to increase clarity in reporting lines and delegation of authority, to separate administrative oversight and controller functions from programme functions, and to achieve better balance in managerial workload and effective supervision of outposted units. UNEP is also implementing managerial training and other human-resource-development programmes. The Executive Director is fully committed to implementing in UNEP the Secretary-General's managerial and organizational reform guidelines. In line with the Secretary-General's report, the Executive Director is taking steps to delegate maximum authority, responsibility and full accountability to line managers for the management of human and financial resources.

27. A significant part of the success of UNEP lies in the extent to which it persuades others to act on environmental issues' since it does not itself have the mandate or the resources to implement the necessary actions at the field level. To fulfil their responsibility to promote dialogue between science and policy, catalyse scientific and intergovernmental consensus on environmental issues, and promote coordinated environmental action, UNEP programme managers must possess advanced scientific and technical expertise, as well as negotiating, information networking, communication and administrative skills. Further elaboration of the reform proposals should take into account the unique niche of UNEP in the United Nations system and its implications for staffing, management and organization.

28. The Secretary-General refers, in paragraph 242 of his report, to the ongoing review of support services to strengthen existing common services and to consolidate their provision for greater effectiveness and efficiency. The review includes: procurement; information technology and telecommunications; the Integrated Management Information System; personnel services, including medical services; financial services, including banking' treasury and payroll; legal services; transportation and traffic operations; security and safety services; facilities management; printing facilities; and archives and records management. Comparable services are consolidated and provided by the United Nations Office at Nairobi. The Programme Support Services office of UNEP itself provides consolidated services to UNEP staff in respect of: corporate planning and accountability; Fund management; and contributions and resource mobilization.

29. In line with the request of the Secretary-General in its decision 19/29, the Executive Director reports to the Governing Council in regard to implementation of the needed improvements in UNEP policies and practices to counter waste, fraud and mismanagement. Relevant elements include: appropriate delegation of programme planning authority to line managers; strengthening oversight mechanisms; clarifying financial procedures; and providing accurate and complete information on income and expenditures. Currently, in response to Governing Council decisions 19/22 and 19/29B, the Committee of Permanent Representatives and the Secretariat are developing jointly terms of reference to undertake specific studies concerning management and administrative support to the Programme, including the Regional Offices.

VI. FINANCING

30. The Secretary-General states, in paragraph 179 of his report: "it is most likely and necessary to take immediate steps to strengthen UNEP and Habitat" and "to revitalize political and financial support for them". In developing proposals to strengthen UNEP, the Secretary-General may wish to explore how the United Nations regular budget might increase its contribution to programme activities, keeping in view the catalytic, coordinating and servicing role of UNEP vis-à-vis the United Nations system. Governments have reaffirmed the central importance of the Environment Fund as the principal source of financing for the implementation of the UNEP programme. They also recognize the interrelationship between excellence, relevance and cost-effectiveness in programme delivery, confidence in the organization, and the consequent increase in the competitive ability of the programme to attract funding.

31. The Governing Council and its High-level Committee of Ministers and Officials are exploring the ways and means to ensure adequate, stable and predictable financing for UNEP. Governments and the Executive Director are concerned about the growing incidence of earmarked contributions in financing programme activities and its potential impact on their coherence and integrity. They are also concerned about disparities between commitments and payments and about late payments of funds in the planning period which undermine programme delivery. The High-level Committee of Ministers and Officials will have before it, at its second meeting, the Executive Director's report on stable, adequate and productable funding for UNEP (UNEP/HLC/2/4), as well as a background information document on the issue (UNEP/HLC/INF/4).

32. Finally, in paragraph 234 of his report, the Secretary-General notes that the United Nations has been spending too high a percentage of its regular budget on administration and other overhead costs, including public information. He has set a specific goal to reduce such costs in the regular budget by one third and reallocate this "dividend" to economic and social activities. The aim is to reduce overhead and information costs form 38 per cent to 25 per cent of the United Nations regular budget. Following Governing Council decision 19/29 and the Secretary-General's directive in this regard, UNEP has been reviewing its administrative, overhead and public information costs, with a view to reducing them to a level of 25 per cent of programme costs.

VII. CONCLUSION

33. Chapter V, section D, of the Secretary-General's report, entitled "Environment, habitat and sustainable development", addresses specifically some UNEP-related issues. In addition, in other parts of his report, there are a number of observations germane to UNEP. Both at the level of the secretariat and that of the Governing Council, UNEP must contribute positively and effectively to the further development of the Secretary-General's reform proposals.